

## Message Text

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ACTION DLOS-04

INFO OCT-01 EUR-12 IO-11 ISO-00 FEA-01 SSO-00 NSCE-00

USIE-00 INRE-00 ACDA-07 AGR-05 AID-05 CEA-01 CEQ-01

CG-00 CIAE-00 CIEP-01 COME-00 DODE-00 DOTE-00 EB-07

EPA-01 ERDA-05 FMC-01 TRSE-00 H-02 INR-07 INT-05

JUSE-00 L-03 NSAE-00 NSC-05 NSF-01 OES-06 OMB-01

PA-01 PM-04 PRS-01 SP-02 SS-15 SAL-01 /117 W

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O 101641Z APR 76

FM USMISSION USUN NY

TO SECSTATE WASHDC IMMEDIATE 6799

INFO AMEMBASSY MOSCOW IMMEDIATE

CONFIDENTIAL USUN 1493

FROM LOSDEL

E.O. 11652: GDS

TAGS: PLOS AMBASSADOR'S CALL ON GROMYKO:

SUBJECT: LOS: /COMMITTEE I, SOVIET UNION AND QUOTA SYSTEM

REF: A. USUN 1197, B. USUN 1230, C. STATE 85109

D. MOSCOW 5498 (NOT SENT USUN)

1. US LOS DEL BELIEVES THAT IT WOULD BE VERY USEFUL FOR AMB. STOESSEL TO RAISE QUOTA ISSUE IN HIS MEETING WITH GROMYKO IN ADDITION TO MAKING THE POINTS IN REF C.

2. AS REPORTED REFS A AND B, WE HAVE SERIOUS DIFFERENCE WITH USSR ON QUESTION OF QUOTAS FOR MINE SITES ON SEABEDS. IN ESSENCE, USSR DEL HERE ADVOCATES SOME SYSTEM BY WHICH NUMBER OF MINE SITES ALLOCATED TO INDIVIDUAL COUNTRY WOULD BE ARTIFICIALLY LIMITED. IN ITS PURE FORM THE SOVIET SYSTEM WOULD GIVE EVERY STATE AN EQUAL MAXIMUM OF MINE SITES-1/150

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OR WORSE-AN EXTREME POSITION. THIS IS SIMILAR TO VIEWS

JAPANESE AND SOME MEMBERS OF EUROPEAN COMMUNITY, NOTABLY, FRANCE, AND TO LESSER EXTENT, UK, WHICH CLAIM TO FEAR US "MONOPOLIZATION" OF DEEP SEABED MINING. WE WERE SUCCESSFUL FOR FOUR WEEKS IN PREVENTING PUBLIC SPLIT OF GROUP OF FIVE OVER THIS ISSUE. HOWEVER, ACTIVE PROSELYTIZING BY SOME DELS SUPPORTING QUOTA SYSTEM (NOT INCLUDING USSR) FORCED US REP IN COMMITTEE I TO PUBLICLY AND VIGOROUSLY ATTACK QUOTA SYSTEM IN C-I MEETING. IT IS OUR ASSESSMENT THAT SOVIET DEL IS KEY ON THIS ISSUE. WE CONSIDER THAT JAPANESE AND FRENCH COULD PROBABLY BE ISOLATED AND WOULD NOT GET SUPPORT FROM LDC'S.

3. US STRONGLY OPPOSES QUOTA SYSTEM AS PROPOSED BY USSR AND OTHER ADVOCATES BECAUSE IT WOULD HAVE THE EFFECT OF ARTIFICIALLY LIMITING US ACCESS TO DEEP SEABED RESOURCES AND BECAUSE IT WOULD GIVE DISCRETIONARY POWER TO INTER-NATIONAL SEABED RESOURCE AUTHORITY IN IMPLEMENTING QUOTA SYSTEM. THE QUOTA SYSTEM IS A FORM OF DIRECT PRODUCTION CONTROLS, WHICH WE HAVE REPEATEDLY OPPOSED.

4. WE RECOMMEND THAT AMBASSADOR MAKE FOLLOWING POINTS IN ADDITION TO THOSE CONTAINED IN REF C (NOTE THAT QUOTA PROBLEM IS ONE AMONG A NUMBER OF KEY ISSUES OF CONCERN TO US AND USSR):

A. US AND SOVIET UNION HAVE A NUMBER OF MAJOR INTERESTS IN COMMON IN LOS NEGOTIATIONS INCLUDING SUCH CRITICAL QUESTIONS AS NAVIGATION, STRAITS, ETC.

B. ON ONE IMPORTANT ISSUE, HOWEVER--THE QUOTA SYSTEM FOR DEEP SEABED MINE SITES-- WE HAVE A SIGNIFICANT DIFFERENCE OF VIEW.

C. THE SOVIET DEL TO LOS CONFERENCE IS ACTIVELY SUPPORTING A QUOTA SYSTEM WHICH WOULD IN PRACTICE IMPOSE A MAXIMUM NUMBER OF MINE SITES FOR EACH COUNTRY.

D. WE BELIEVE THIS POSITION IS UNNECESSARY TO PROTECT SOVIET INTERESTS AND IS HARMFUL TO US INTERESTS.

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FURTHER, SPLIT BETWEEN US AND SOVIET UNION, WHICH HAVE UNTIL NOW BEEN ABLE TO MAINTAIN COMMON FRONT ON MOST ISSUES INVOLVING DEEP SEABED NEGOTIATIONS, WOULD WEAKEN OUR COMMON NEGOTIATING STRENGTH.

E. WE DO NOT THINK QUOTA SYSTEM IS NECESSARY BECAUSE THERE ARE A LARGE NUMBER OF PRIME MINE SITES AVAILABLE, FAR MORE THAN US FIRMS COULD

FULLY EXPLOIT IN THE INDEFINITE FUTURE. AT ANY TIME THAT SOVIET UNION SHOULD WISH TO DEVELOP ITS OWN DEEP SEABED MINING TECHNOLOGY, THERE WOULD BE MORE THAN ADEQUATE NUMBER OF GOOD MINE SITES AVAILABLE.

F. A QUOTA SYSTEM, HOWEVER CONCEIVED, WOULD INEVITABLY BE IMPLEMENTED BY THE INTERNATIONAL AUTHORITY GIVING IT BROAD POWERS WHICH COULD BE EXERCISED ARBITRARILY. WE DO NOT BELIEVE THAT EITHER THE SOVIET UNION OR THE USG SHOULD CONCEDE SUCH BROAD POWERS TO THE INTERNATIONAL AUTHORITY. IN OUR VIEW, AND WE BELIEVE THIS IS A VIEW SHARED BY THE USSR, THE LOS TREATY MUST PROVIDE FOR ACCESS BY SOVEREIGN STATES AND THEIR NATIONALS TO SEABED RESOURCES.

G. YOU SHOULD STRESS THAT US IS NOT RPT NOT SEEKING MONOPOLIZATION OF SEABED RESOURCES WHICH, IN ANY CASE, WOULD BE IMPOSSIBLE.

H. SECRETARY STATED IN HIS SPEECH OF APRIL 8, THAT "THE TREATY SHOULD GUARANTEE NONDISCRIMINATORY ACCESS FOR STATES AND THEIR NATIONALS TO DEEP SEABED RESOURCES UNDER SPECIFIED AND REASONABLE CONDITIONS. THE REQUIREMENT OF GUARANTEED ACCESS WILL NOT BE MET IF THE TREATY CONTAINS ARBITRARY OR RESTRICTIVE LIMITATIONS ON THE NUMBER OF MINE SITES WHICH ANY NATION MIGHT EXPLOIT. AND SUCH RESTRICTIONS ARE UNNECESSARY BECAUSE DEEP SEABED MINING CANNOT BE MONOPOLIZED; THERE ARE MANY MORE PRODUCTIVE SEABED MINING SITES THAN CONCEIVABLY CAN BE MINED FOR CENTURIES TO COME."

I. ACCESS TO THE SEABED RESOURCES IS OF IMPORTANCE TO US WHICH, UNLIKE THE USSR, MUST DEPEND ON IMPORTS ON NICKEL, MANGANESE AND COBALT FOR ITS NEEDS.

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J. WE HOPE THAT THE SOVIET GOVERNMENT WILL REVIEW ITS POSITION ON THIS IMPORTANT QUESTION AND THAT THE SOVIET DELEGATION CAN BE INSTRUCTED TO SUPPORT THE US ON THE QUESTION OF GUARANTEED ACCESS AND WILL DROP ITS ADVOCACY OF THE QUOTA SYSTEM.

5. IF SOVIETS SUGGEST AS COMPROMISE THAT QUOTA SYSTEM COULD BE DEVISED WHICH OPERATED IN AUTOMATIC FASHION THUS DENYING DISCRETION TO AUTHORITY, YOU SHOULD INDICATE THAT US WOULD STILL BE ARBITRARILY DENIED ACCESS TO RESOURCES.

6. ACTION REQUESTED. THAT DEPARTMENT INSTRUCT AMEMBASSY MOSCOW TO MAKE POINTS IN PARA. 4, ABOVE.

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## Message Attributes

**Automatic Decaptoning:** X  
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